



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BY FIRST CLASS MAIL AND FACSIMILE
FAX NUMBER: 540-341-8809

DEC 21 2011

Jason Torchinsky, Esq.
Holtzman Vogel PLLC
45 North Hill Drive, Suite 100
Warrannton, VA 20186

RE: MUR 6496
NSSTA and NSSTA PAC

Dear Mr. Torchinsky:

On December 15, 2011, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients, the National Structured Settlements Trade Association ("NSSTA") and the National Structured Settlements Trade Association Political Action Committee and Eric Vaughn, in his official capacity as treasurer, ("NSSTA PAC"). The Commission accepted the conciliation agreement in settlement of violations of 2 U.S.C. § 441b(a) by NSSTA and NSSTA PAC and Eric Vaughn, in his official capacity as treasurer, and violations of 2 U.S.C. § 432(h), 11 C.F.R. § 103.3(a), 2 U.S.C. § 434(b)(1),(2), and (4), and 11 C.F.R. § 104.14(d) by NSSTA PAC and Eric Vaughn, in his official capacity as treasurer. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondents and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

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Enclosed you will find a copy of the fully executed conciliation agreement for your files.
If you have any questions, please contact me at (202) 694-1650.



Audra Hale-Maddox
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

National Structured Settlements Trade
Association
National Structured Settlements Trade
Association Political Action Committee
and Eric Vaughn, in his official capacity
as treasurer

MUR 6496

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CONCILIATION AGREEMENT

This matter was initiated by a *sua sponte* submission made to the Federal Election Commission ("the Commission") by the National Structured Settlements Trade Association ("NSSTA") and the National Structured Settlements Trade Association Political Action Committee and Eric Vaughn, in his official capacity as treasurer, ("NSSTA PAC") (collectively, "Respondents"). The Commission found reason to believe that NSSTA violated 2 U.S.C. § 441b(a) and that NSSTA PAC violated 2 U.S.C. § 432(h) and 11 C.F.R. § 103.3(a), 2 U.S.C. § 441b(a), and 2 U.S.C. § 434(b)(1), (2), and (4), and 11 C.F.R. § 104.14(d).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission

IV. The pertinent facts in this matter are as follows:

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COUNSEL

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1. National Structured Settlements Trade Association Political Action

Committee, and Eric Vaughn, in his official capacity as treasurer, is the separate segregated fund ("SSF") of the National Structured Settlements Trade Association, a registered California non-profit corporation that serves as a trade association for the structured legal settlements industry. NSSTA is a corporation within the meaning of 2 U.S.C. § 441b(a). NSSTA PAC is registered with the Commission and is a political committee within the meaning of 2 U.S.C. § 431(4)(B).

2. Political committees must establish a committee depository account and

must deposit all receipts into the designated account. 2 U.S.C. § 432(h). All receipts by a political committee either shall be deposited in the committee's accounts or returned to the contributor without being deposited within 10 days of the treasurer's receipt. 11 C.F.R. § 103.3(a).

3. The Act prohibits corporations from making any contribution in

connection with a Federal election, and prohibits political committees from knowingly accepting or receiving such contributions. 2 U.S.C. § 441b(a). However, it permits corporations to establish and administer separate segregated funds for political purposes and to solicit contributions to those funds from the restricted class and their families. 2 U.S.C.

§ 441b(b)(2)(C). The prohibition on contributions extends to corporations using general treasury funds to make contributions to their SSFs. 11 C.F.R. § 114.5.

4. For each reporting period, political committees must disclose cash on

hand, all receipts, and all disbursements. 2 U.S.C. § 434(b)(1), (2), and (4). Committee treasurers are responsible for the timely and complete filing of disclosure reports and for the accuracy of the information contained therein. 11 C.F.R. § 104.14(d).

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5. NSSTA PAC deposited a December 11, 2007 \$500 individual contribution and a December 14, 2007 \$1,000 individual contribution into the NSSTA general corporate bank account. NSSTA PAC then transferred these funds from the NSSTA account to the PAC bank account on January 25, 2008, depositing the funds into the NSSTA PAC account more than 10 days after receipt.

6. Respondents mis-deposited \$11,728 in NSSTA corporate funds into the NSSTA PAC's bank account between February 5, 2008, and December 10, 2008. While NSSTA PAC transferred \$5,851 of those funds out of the PAC's account to NSSTA's account by mid-2008, and removed an additional \$727 by 2009, \$5,100 of the corporate funds remained in the PAC's bank account for almost three years until March 14, 2011.

7. On December 13, 2010, NSSTA PAC accepted a \$250 prohibited corporate contribution from Richmond Settlements, which was not refunded until March 14, 2011, beyond the 30-day permitted refund period for prohibited corporate contributions. See 11 C.F.R. § 103.3(b)(1).

8. NSSTA PAC's disclosure reports from its 2007 Year-End Report through its 2010 Reports did not disclose numerous receipts and disbursements, including: (1) the deposits of NSSTA funds into the PAC's account; (2) the transfers of NSSTA funds out of the PAC's account; (3) the subsequent transfers into the PAC's account of funds originally placed in the NSSTA general account; (4) certain permissible contributions received; (5) receipt of prohibited corporate contributions; and (6) other un-quantified reporting discrepancies, including receipts of interest earned, disbursements for tax payments, and certain refunds of operating expenses. These errors also resulted in ongoing mis-reporting of the PAC's cash on hand from

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2007 through 2010. The difference in reported receipts and disbursements between the original filings and the amended filings totals \$42,374.68.

V. 1. NSSTA PAC violated 2 U.S.C. § 432(h) and 11 C.F.R. § 103.3(a) by failing to deposit \$1,500 in contributions in its bank account within 10 days.

2. NSSTA violated 2 U.S.C. § 441b(a) by making prohibited corporate contributions, and NSSTA PAC and Eric Vaughn, in his official capacity as treasurer, violated 2 U.S.C. § 441b(a) by receiving prohibited corporate contributions.

3. NSSTA PAC violated 2 U.S.C. § 434(b)(1), (2), and (4) and 11 C.F.R. § 104.14(d) by failing to accurately report receipts and disbursements and misreporting its cash on hand in its 2007 Year-End Report through its 2010 disclosure reports filed with the Commission.

VI. 1. Respondents will cease and desist from violating 2 U.S.C. § 441b(a).

2. NSSTA PAC and Eric Vaughn, in his official capacity as treasurer, will cease and desist from violating 2 U.S.C. § 432(h) and 11 C.F.R. § 103.3(a).

3. NSSTA PAC and Eric Vaughn, in his official capacity as treasurer, will cease and desist from violating 2 U.S.C. § 434(b)(1), (2) and (4), and 11 C.F.R. § 104.14(d).

4. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Four Thousand Dollars (\$4,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

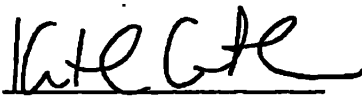
IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Anthony Herman
General Counsel

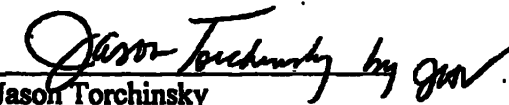
BY:


Kathleen Guith
Acting Associate General Counsel
for Enforcement

Date

12-20-11

FOR THE RESPONDENTS:


Jason Torchinsky
Counsel for NSSTA and NSSTA PAC

Date

11-9-11

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